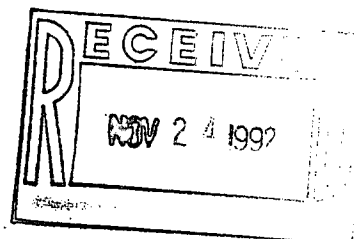


August 5, 1992

Mr. Mark Van Selous
K. Hovnanian Companies of North Jersey, Inc.
10 Highway 35
P.O. Box 500
Red Bank, NJ 07701



Re: Proposal for UST Remedial Services
University Heights Sites C and E
JMS Project No. 92050

Dear Mr. Van Selous:

The following provides our formal proposal for environmental services relative to the twenty-five (25) underground storage tanks (USTs) identified during our investigations of University Heights Sites C and E.

PROPOSED REMEDIAL ACTIVITIES

Remedial activities will concentrate on the removal or abandonment of the tanks described in our Interim Report dated July 1992. In most cases, the course of action will be as follows: the tank in question will be uncovered or otherwise made accessible by Milltown Drilling and Excavation (MDE). All product removal, tank entry, and cleaning will be performed by representatives of L&L Oil Service, Inc. (L&L). If necessary, MDE employees will create additional openings in the tank so that it may be completely emptied. The tanks will then be entered and cleaned. A total of twenty-five (25) tanks will be addressed. Of these, twenty (20) will be removed and four (4) will be abandoned in place. One tank (T-408-4) is currently planned for removal, but due to its location may ultimately have to be abandoned in place. None of the tanks identified are regulated under the New Jersey Underground Storage Tank Act.

Most of the tanks in question are No. 2 heating oil tanks, and the necessary health and safety precautions are minimal. Two (2) tanks, however, appear to contain gasoline, and additional precautions may be necessary. In these cases, both JMS and MDE will be present with the necessary equipment and materials to secure the tank area in order to assure safe working conditions.

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Once the tanks have been emptied and cleaned, they will be loaded onto a dump truck and transported to a scrap dealer for disposal.

Due to problems with access, JMS proposes to abandon four (4) of the tanks in place. The tanks to be abandoned in place are T405-1, T406-1, T406-2 and T406-3. These tanks are illustrated on Figure 2 of the Interim Report, and are located along West Market Street, in the immediate vicinity of buried power and fiber-optic lines. In order to reduce the risk of property damage or injury to site personnel, these tanks will be left in place. After the tanks have been emptied and cleaned, they will be filled with concrete, and the excavation will be backfilled. If contaminated soils are encountered in the tank area, as much soil as possible will be removed without jeopardizing the integrity of the underground utility lines. One additional tank (T-408-4) is located at the corner of Warren and Norfolk Streets. The tank is located under new sidewalk in close proximity to a busy intersection, with limited access to the tank location. The presence of underground utilities is suspected, and it would be prudent to minimize the disturbance of the area. Therefore, this tank may also be abandoned in place.

Contaminated soil removed from the excavations will be stockpiled in the current stockpile area at the corner of Newark and Warren Streets. The stockpiled soil will be sampled for waste characterization purposes and arrangements will be made for its off-site disposal.

ESTIMATED COSTS

TANK REMOVAL

Backhoe/Operator, 5 days @ \$600/day /	\$	3,000
Dump Truck/Operator, 5 days @ \$450/day /		2,250
Vac. Truck/Operator, 5 days @ \$1000/day /		5,000
Waste Product Disposal, 7000 gal @1.00/gal		7,000
Sampling/Supervision, 5 days @ \$500/day		2,500

TANK ABANDONMENT

Delivery of 20 yds. cement	1,200
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ESTIMATED COSTS (Continued)

SAMPLE ANALYSIS

100-150 PHC @ \$75✓	7,500 - 11,250
25-40 BN+ @ \$400 ✓	10,000 - 16,000
25-40 VO+ @ \$325 ✓	8,125 - 13,000
1-2 Waste Characterization @ \$1400	1,400 - 2,800

DATA REVIEW/ANALYSIS/REPORTING

4,000

PROJECT MANAGEMENT

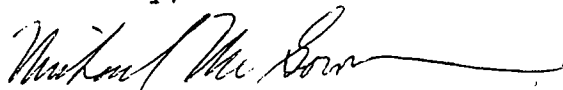
4,000

ESTIMATED TOTAL \$52,375 - 72,000

We anticipate being able to start field work within two (2) days of authorization. Sample analytical costs are based on standard turnaround time of three (3) to four (4) weeks. Field work should be completed in one week from startup. We anticipate completion of the final report within seven (7) weeks of the commencement of the tank removal program. All work will be billed on a time and materials basis in accordance with the attached schedule of fees.

If you have any questions regarding this proposal, please call me at your convenience. If the proposal is acceptable, please sign and return the attached authorization page.

Sincerely,



Michael McGowan
Senior Geologist

MM:cp

Enclosure

KHOV025007